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## **WHAT IS CLAIMED IS:**

1. A performance-based supply chain management system comprising:

an engagement module through which a buyer-supplier engagement is initiated, the buyer-supplier engagement providing an identification of a product to be supplied and at least one key performance indicator (KPI) by which performance of that buyer-supplier engagement is to be monitored;

a monitoring module for monitoring performance of the buyer-supplier engagement through communications exchanged between the buyer and supplier through a server module associated with the monitoring module, the monitoring being based on the at least one identified key performance indicator; and

a collaboration module that enables the buyer and seller participating in a buyersupplier engagement to collaborate regarding issues related to one or more key performance indicators identified for the buyer-supplier engagement.

- 2. The system of claim 1 wherein the monitoring module initiates the collaboration module automatically upon determination of a violation with respect to a key performance indicator.
- 3. The system of claim 1 further comprising an alert module that alerts one of the buyer or supplier of a value for a key performance indicator.
- 4. The system of claim 3 wherein the alert module permits the alerted

  20 participant to initiate the collaboration module to collaborate on a resolution with respect to the key performance indicator.

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- 5. The system of claim 4 wherein the alerted participate may invite other participants to collaborate through the collaboration module.
- 6. The system of claim 5 wherein the alerted participant invites other participants by providing an electronic address.
- The system of claim 6 wherein the invited participant is sent an electronic message to the electronic address to notify that participant regarding the collaboration.
  - 9. The system of claim 1 wherein the collaboration module provide an open, secure collaboration environment.
  - 10. The system of claim 9 wherein the collaboration module enables the exchange of documents during the collaboration.
  - 11. The system of claim 1 wherein the collaboration module enables participants to close out an issue related to the key performance indicator.
  - 12. The system of claim 11 wherein an alert module escalates the issue and notify another participant if the collaboration participants are unable to close out an issue.
- 15 13. The system of claim 1 wherein the collaboration module enables communication between participants in a format that enables extraction of data and dialog exchanged into an archive.
  - 14. The system of claim 13 further comprising a collaboration archive for storing collaborations between participants.
- 20 15. The system of claim 14 wherein the collaboration archive stores tradeoff analysis and violation details.

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- 16. The system of claim 14 wherein the engagement module utilizes stored collaboration information as prior performance data for use in enabling buyers and suppliers to enter a buyer-supplier engagement.
- 17. The system of claim 16 wherein a buyer-supplier matching function is provided by the engagement module and wherein the collaboration information is at least one factor used by the function in selecting potential buyer-supplier matches.
  - 18. A server system that enables buyers and suppliers to connect using a terminal device over the Internet to enable performance-based supply chain management, the server system comprising:

an engagement module, operatively connected to at least one buyer terminal device and at least one supplier terminal device, through which a buyer-supplier engagement is initiated, the buyer-supplier engagement providing an identification of a product to be supplied and at least one key performance indicator by which performance of that buyer-supplier engagement is to be monitored;

a monitoring module for monitoring performance of the buyer-supplier engagement through communications exchanged between the buyer terminal device and supplier terminal device, the monitoring being based on the at least one identified key performance indicator; and

a collaboration module that enables the buyer terminal device and seller terminal device to collaborate regarding issues related to one or more key performance indicators identified for the buyer-supplier engagement.

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- 19. The system of claim 18 wherein the monitoring module initiates the collaboration module automatically upon determination of a violation with respect to a key performance indicator.
- 20. The system of claim 18 further comprising an alert module that alerts one of the buyer or supplier of a value for a key performance indicator.
  - 21. The system of claim 20 wherein the alert module permits the alerted participant to initiate the collaboration module to collaborate on a resolution with respect to the key performance indicator.
- 22. The system of claim 21 wherein the alerted participate may invite other participants to collaborate through the collaboration module.
- 23. The system of claim 22 wherein the alerted participant invites other participants by providing an electronic address.
- 24. The system of claim 23 wherein the invited participant is sent an electronic message to the electronic address to notify that participant regarding the collaboration.
- 25. The system of claim 18 wherein the collaboration module provide an open, secure collaboration environment.
- 26. The system of claim 25 wherein the collaboration module enables the exchange of documents during the collaboration.
- The system of claim 18 wherein the collaboration module enables
  participants to close out an issue related to the key performance indicator.

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- 28. The system of claim 27 wherein an alert module notifies another participant if the collaboration participants are unable to close out an issue.
- 29. The system of claim 18 wherein the collaboration module enables communication between participants in a format that enables extraction of data and dialog exchanged into an archive.
- 30. The system of claim 29 further comprising a collaboration archive for storing collaborations between participants.
- 31. The system of claim 30 wherein the collaboration archive stores tradeoff analysis and violation details.
- 32. The system of claim 31 wherein the engagement module utilizes stored collaboration information as prior performance data for use in enabling buyers and suppliers to enter a buyer-supplier engagement.
- 33. The system of claim 32 wherein a buyer-supplier matching function is provided by the engagement module and wherein the collaboration information is at least one factor used by the function in selecting potential buyer-supplier matches.
- 34. A method for performance-based supply chain management comprising the steps of:

enabling a buyer and supplier to initiate a buyer-supplier engagement, the buyer-supplier engagement providing an identification of a product to be supplied and at least one key performance indicator (KPI) by which performance of that buyer-supplier engagement is to be monitored;

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monitoring performance of the buyer-supplier engagement through communications exchanged between the buyer and supplier through a server module associated with the monitoring module, the monitoring being based on the at least one identified key performance indicator; and

enabling the buyer and seller participating in a buyer-supplier engagement to collaborate regarding issues related to one or more key performance indicators identified for the buyer-supplier engagement.

- 35. The method of claim 34 further comprising the step of automatically initiating a collaboration session between a buyer and supplier upon determination of a violation with respect to a key performance indicator for that buyer-supplier engagement.
- 36. The method of claim 34 further comprising the step of alerting buyer or supplier of a value of a key performance indicator to enable the buyer or supplier to initiate a collaboration session with respect to the key performance indicator.
- 37. The method of claim 36 wherein the alerted participate invites other participants to collaborate.
  - 38. The method of claim 37 wherein the alerted participant invites other participants by providing an electronic address.
  - 39. The method of claim 38 wherein the invited participant is sent an electronic message to the electronic address to notify that participant regarding the collaboration.
- 20 40. The method of claim 34 wherein the collaboration session provided is provide an open, secure collaboration environment.

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- 41. The method of claim 40 further comprising the step of enabling the exchange of documents during the collaboration.
- 42. The method of claim 34 further comprising the step of enabling participants to close out an issue related to the key performance indicator.
- 5 43. The method of claim 34 further comprising the step of alerting another participant if the collaboration participants are unable to close out an issue.
  - 44. The method of claim 34 wherein the server system through which collaboration is provided extracts data and dialog exchanged into an archive.
  - 45. The method of claim 44 further comprising the step of storing collaborations between participants into a collaboration archive.
    - 46. The method of claim 45 wherein the collaboration archive stores tradeoff analysis and violation details.
    - 47. The method of claim 45 further comprising the step of utilizing stored collaboration information as prior performance data for use in enabling buyers and suppliers to enter a buyer-supplier engagement.